



**FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case Reference : CHI/00HG/OCE/2018/0036

Property : 20 Allendale Road, Plymouth, Devon P14 6JA

Applicant : Paul Hankins

Representative : Crosse & Crosse Solicitors LLP

Respondent : Peter Anthony Lyne (Whereabouts unknown)

Representative :

Type of Application : Collective Enfranchisement (Missing Landlord) S.26 and 27 Leasehold Reform Housing and Urban Development Act 1993

Tribunal Member : Mr D Banfield FRICS

Date of Decision : 10 January 2019

DECISION

Summary of Decision

- **The Tribunal has determined for the reasons set out below that the appropriate sum to be paid is £5,697 being a price of £8,737 less costs of £3,040.**
- **The draft TR1 is approved subject to the amendment referred to below.**

Background

1. Deputy District Judge Deacon sitting in the County Court at Plymouth made an order dated 27 June 2018 directing that the First-tier Tribunal (Property Chamber) should;
 - a. Approve the form of conveyance which is to be signed on behalf of the Defendant by Mr Timothy Paul Selley, Partner of Crosse and Crosse Solicitors LLP
 - b. Determine the price which would be payable for the Defendant's freehold interest in the Premises
2. Directions were made on 30 October 2018 indicating that the application would be dealt with on the papers unless an objection was received.
3. No objection has been received and the matter is therefore determined on the bundle provided by the applicant which includes a report dated 14 November 2018 from Kit Hepple FRICS who values the premium to be paid at £8,782 proportionally split as Flat 1:- £47 and Flat 2:- £8,735.
4. The Tribunal has not inspected the property.

Evidence

Valuation

5. Although Mr Hepple's report does not contain the usual expert's statement it does contain a statement of truth and as such is relied upon by the Tribunal.
6. Mr Hepple describes the property as a three storey inner terrace building divided into two self-contained flats. There is no front garden and a small enclosed courtyard to the rear accessed from a footpath.
7. The original front door opens into a communal lobby with doors to Flats 1&2.

8. Flat 1 is on the first and second floors and comprises:- ground floor entrance and stairs to first floor; front living room, rear bedroom, bathroom, kitchen, landing and stairs to second floor, second bedroom
9. Flat 2 is on the ground floor and comprises:-entrance hallway, front living room, bedroom, bathroom, and kitchen/diner.
10. Both flats have modern kitchens and sanitary fittings and separate gas fire central heating systems.
11. The lease for Flat 1 expires 31 August 2172 with nil ground rent. Flat 2 has a lease expiring 31 August 2082 with a current ground rent of £50 pa rising to £75 in 31.3 years' time.
12. Mr Hepple provides a schedule of one and two bedroom converted flats sold between 30 October 2017 and 31 July 2018 at prices between £68,000 and £118,250.
13. Based on the comparables Mr Hepple values the long lease of Flat 1 at £125,000; the existing lease of Flat 2 at £87,000 and if extended at £100,000.
14. Mr Hepple takes his relativity of 87% from the Graphs of Relativity section of the My Leasehold website which includes data from a large number of sources and may be divided into three categories; 2009 RICS Greater London and England, Published Research and 2015 Data.
15. A capitalisation rate of 7% is used and a deferment rate of 5.25%. He departs from the "Sportelli" rate of 55 on the grounds that this is a secondary location and is consistent with a settlement achieved on another flat some 6 months ago. It is also midway between the 5 and 5.5% which in the past he had achieved in the Windsor/Maidenhead areas.
16. Worked valuations for each flat are provided at pages 159 and 160 of the hearing bundle.

Terms of Transfer

17. A draft TR1 has been provided.

Costs

18. Deputy Judge Deacon ordered that costs of £3,040.00 should be deducted by way of set off from the price assessed by the Tribunal.

Decision

Valuation

19. The Tribunal accepts Mr Hepple's valuation with the exception of his departure from the Sportelli rate of 5%. Whilst such departures may be made they must be based on substantial evidence which in this case has not been provided.
20. Applying the variables adopted by Mr Hepple and the Tribunal's deferment rate of 5% produces a total enfranchisement price of £8,737 of which £67 relates to Flat 1 and £8,670 to Flat 2.
21. The Tribunal's calculations are shown at Appendix 1.
22. **The Tribunal therefore determines that the total price to be paid for the freehold interest is £8,737.**
23. **After deducting costs of £3,040 as directed in the Order the sum of £5,697 is to be paid into court.**

TR1

24. The draft TR1 is approved subject to the following amendments;

Panel 8; Delete the receipt by the transferor and insert "The sum of £5,697 (five thousand six hundred and ninety-seven pounds) has been paid into Court.

D Banfield FRICS

10 January 2019

PERMISSION TO APPEAL

1. A person wishing to appeal the decision to the Upper Tribunal (Lands Chamber) must seek permission to do so by making written application to the First-tier Tribunal at the Regional office which has been dealing with the case.
2. The application must arrive at the Tribunal within 28 days after the Tribunal sends to the person making the application written reasons for the decision.
3. If the person wishing to appeal does not comply with the 28-day time limit, the person shall include with the application for permission to appeal a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then decide

whether to extend time or not to allow the application for permission to appeal to proceed.

4. The application for permission to appeal must identify the decision of the Tribunal to which it relates, state the grounds of appeal, and state the result the party making the application is seeking.

**20 Allendale Road
Tribunal's valuation**

Appendix 1

Flat 2

Unexpired term	64.3
Capitalisation rate	7%
Deferment rate	5%
	£
Extended lease value	100,000
Relativity	87.00%
	£
Existing Lease value	87,000

Calculations

Diminution of freehold

Loss of ground rent	1		£	50		
Years Purchase	31.3	years @	7%	12.5670553	£628	£0
Loss of ground rent	2		£	75		
Years Purchase	33	years @	7%	12.75379		£0
Present value of £1 in	31.3	years @	7%	0.12030613	£115	
Sub-total					£743	

Reversion to Freehold

Capital value			£	100,000	
loss of reversion					
Present value of £1 in	64.3	years @	5%	0.0434038	£4,340

Marriage Value calculation

Value of proposed interests			
Freeholder	£0		
Leaseholder	£100,000	£100,000	
Value of existing interests			
Freeholder	£4,340		
Leaseholder	£87,000		
Sub-Total		£91,340	

Total marriage value		£8,660
at 50%		<u>£4,330</u>
Enfranchisement Price (Flat 2)		<u>£8,670</u>

Flat 1

Extended lease value	£	125,000
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Calculations

Reversion to Freehold

Capital value			£	125,000
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loss of reversion

Present value of £1 in	154.3	years @	5%	0.0005376
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Enfranchisement price (Flat 1)		<u>£67</u>
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Total enfranchisement price		<u><u>£8,737</u></u>
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